



TITLE V FEES

New Mexico Environment
Department

Air Quality Bureau

June 23, 2004

Current rule adopted in 1993

- Authorized in New Mexico Air Quality Control Act (NMAQCA)
- No changes made since (except formatting)
- Fees deposited in a “Special Revenue Fund”
- Used to support a Title V budget



Recommendations

- Governor Richardson's Transition Team
 - 12/09/02
 - An opportunity existed to “evaluate the need and ability to increase operating permit fees”
- LFC Statewide “Permitting” Audit
 - 9/22/03
 - Point made to “recommend...annual Title V Operating Fee increases”



Title V Fees

- Money in the state air quality permit fund is collected for and appropriated to the department for the purpose of paying the costs of:
 - 1) reviewing and acting upon any application for a permit;
 - 2) if the owner or operator receives a permit, implementing and enforcing the terms and conditions of such permit not including any court costs or other costs associated with any enforcement action;



Title V Fees (cont.)

- 3) emissions and ambient monitoring;
- 4) preparing generally applicable regulations or guidance;
- 5) modeling, analysis and demonstrations; and
- 6) preparing inventories and tracking emissions.



Current Title V Fee Schedule Highlights:

- Fees are collected for all sources that have Title V operating permits. A Title V permit is required for sources emitting more than 100 tons per year (TPY) of pollutant. There are 170 active Title V facilities in NMED's jurisdiction.
- Sources are charged \$10.25 per ton for emissions of SO₂, NO_x, CO, TSP, VOC and \$150.00 per ton for hazardous air pollutants.
- The fee is based upon allowable emission rates.
- A maximum of 6000 TPY of any one pollutant shall be used in the fee calculation.



Fees Assessed / Revenue Generated

- Collected from \$2.5-\$3.1M in Title V fees annually since 1994
- 170 facilities assessed an annual fee
- In 2003, \$2.7M invoiced on approximately 260,000 tons of pollutants



So – What are we doing here?

- Starting a process to make revisions to the Title V fee rule
- Make changes to the dollar per ton amount collected
- Make technical corrections to make process simpler for agency and facilities
- Develop a phased in approach that will minimize impact / maximize predictability
- Identify other improvements necessary



Why increase fees?

- Improve services
 - Permitting
 - Enforcement
 - Technical Capabilities
 - Small Business Assistance Program



Timeline of process

- Hold this meeting to present agency thoughts and suggest possible ideas, gather input.
- Develop first draft; post to web and distribute (July 7)
- Hold another meeting to refine ideas, gather input (July 14)
- Develop draft proposal for EIB (July 19)
- Write petition based upon needs and input
- Prepare testimony and present to board by November 2004



Possible Ideas – Technical Simplifications

- Drop billing for PTE
 - Makes fee more straightforward to calculate
- Remove archaic language
 - Related to first years of fee collection
- Clearly define how & when in or out of Title V program
 - Upon installation of new equipment or controls



Possible Ideas - Basis

- Keep charging on allowable emissions
- Change schedule to collect based upon actual emissions
 - Does this unfairly affect any sources?
 - Is there unmanageable annual variability?
 - Hard to budget for sources, agency
- Charge for allowables with surcharge for deviations from permit



What is your role?

- Input on all technical changes
- Input on nature of phase-in
- Input on program priorities with additional funds
- Issue identification and resolution



Next Steps?

- Next meeting scheduled Wed. July 14 (2 PM State Records & Archives Center, Room 2022)
- In the interim – This and other materials posted here:
<http://www.nmenv.state.nm.us/aqb/projects/T5>
- Contact Erik Aaboe at (505) 955-8081 or via e-mail at erik_aaboe@nmenv.state.nm.us



Question / Comment Session

